EXHIBIT 1



Anne K. Bingaman
Senior Vice President
President, Local
Telecommunications Division

March 4, 1997

VIA FAX

Mr. H. Edward Wynn General Counsel Ameritech Industry Information Services 350 New Orleans, 3rd Floor Chicago, Illinois 60654

Re:

Obtaining Unbundled Network Elements in Combination (the "Network Platform")

Dear Ed:

Thanks for a very good and productive meeting. We sincerely appreciate you and all of your people coming to McLean last Friday. For purposes of clarity, I thought a brief summary of where we stood at the end of the meeting might be helpful for all of us.

Briefly, we advised Ameritech of LCI's intention and desire to enter the local telephone market by obtaining unbundled elements from Ameritech. LCI intends to use a configuration that combines the loop, switch and non-discriminatory access to Ameritech's interoffice network for the transport and termination of local calls at cost-based rates as required by the Act. We expect that interexchange carriers will continue to reach LCI's subscribers using the transport facilities that they use today. As we discussed, this approach establishes LCI as the local exchange and exchange access provider to its subscribers, while simultaneously assuring that the existing Ameritech interoffice network is used to most efficiently complete local traffic.

As we stated in the meeting, neither of the alternatives described by Ameritech for transport and termination of local calls would satisfy LCI's needs. Those alternatives contemplated that purchasers of unbundled local switching would be offered only two options for transport and termination of local calls: first, to purchase dedicated transport from Ameritech to all end offices; or, second, to complete calls over the Ameritech interoffice network but to pay retail rates, less the wholesale discount. Neither of these alternatives is satisfactory because neither provides LCI with nondiscriminatory access to Ameritech's interoffice transport network at cost-based rates.

We discussed at the meeting LCI's interest in promptly conducting a test of Ameritech's systems and procedures to enable LCI to offer local service in Illinois through LCI's desired configuration of combined unbundled network elements. These systems and procedures included:

- l) Systems and procedures required for ordering the unbundled network elements in the platform configuration described above;
- 2) The recording, measurement and data exchange required to perform end user billing under that platform configuration;
- 3) The recording, measurement and exchange of data required to support carrier billing by LCI as the provider of local switching and loop-related access services to other carriers (using its unbundled local switching/loop combination). Procedures need to be defined for providing billing data for both originating and terminating access. This also will require the development of systems necessary for Ameritech to bill IXCs appropriately in such an environment;
- 4) The recording, measurement and exchange of data required for LCI to provide termination of other carriers' local traffic to LCI's customers served using unbundled local switching; and
- 5) Systems and procedures required for ordering local transport and termination as a cost-based network function, in combination with the unbundled local switching element, to complete local calls over the Ameritech interoffice network.

We agreed to provide Ameritech with the name of the person within LCI who can work with Ameritech to set up the processes for items (1) and (2). The person Ameritech should contact to work through the details on ordering and end user billing, items (1) and (2), is Bill Jones, in our Dublin, Ohio main office, at (614) 798-6826. Bill is aware of this, and will be glad to meet you in Chicago as soon as possible to take items (1) and (2)



to the next step, by working through the processes necessary to complete ordering and end user billing.

With respect to items (3), (4) and (5), we understand that Ameritech has agreed to respond to us no later than Friday, March 7, regarding whether Ameritech currently is capable of supporting the LCI platform configuration. If Ameritech is not currently capable of supporting the platform, you mentioned the possibility of LCI's making a bona fide request to Ameritech so that Ameritech could then determine and estimate the cost of developing the systems and procedures that would be required under items (3), (4) and (5). Please let us know if Ameritech considers that to be necessary.

Again, we sincerely appreciate your time and the travel to our offices. We will be very happy to come to Chicago for the next such meeting. We greatly look forward to working with Ameritech to establish the processes and systems for each of the steps outlined above, which are necessary to make the combined unbundled element network platform a reality for LCI and its customers.

Sincerely,

Anne K. Bingaman

AKB:slg cc: Bill Jones Ron Kelly Joe Gillan

John Williams

7.5. Du luctory a copy of he week Jastigants for your fill Thanks

LCI International*
Worldwide Telecommunications

Phone / Fay Nane Position 202-9555765 (9792 Fax Brad Mutschelknows Kelley Drye 703/714/11/7 /848-4404) Cozz COZ 257-8611 /602-254-502 Cello OTSEY Cove Catter ATTOINCY - BAILEY Catter Lawtin Rocky UNRUH (415) 896-0666 ATTY Morganilen + Juszuren Linda Oliver (2020637-6527-/(2020637-5910 Hogan + Harkon TELECOMMUNICATIONS CONSULTING GROWING INC. LCI - FACILITIES COST July G- WILLAMS VCX 202-626-6293 ED PERRY 703-714-1145-1703-610-32. 703/610-4894 (-3838) Stacy Huloband LCI 703/610 4866 Part Geravito RON KRAEMER DIR FAQUITES GOST 644-798-6862 703-610-3895 Phone: (312) 335-6648 Ed Wynn Ron Lambert V.P& beneral Counsel-AllS Fux: (312) 595-1504 Phore (34) 335-6666 Ameritech - Counsal Fan (312) 595-1504 David Moser A115 - Director Tech Planning Ph (312) 335-6757 Ph. 703-848-4476 Doug Kinkoph Dir. Regulator/Legis Attains FAX 703-848 4404 JusanLens Denier Atterney 1. Sow Div, LC/ for (207) 610-457 Move Bingrina JOE Girlm Gillar Assiciates Ph (406)626-5576 lon Kelley LCI Netric Planning 614-799-7859 Judy HRMES Ameritech Ameritecy - Resule and LCI Meget learn 317 265 5186 312-335-2915 (32)335-292

Sarah Buerger

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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of:

Application of Ameritech Michigan Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Michigan

CC Docket No. 97-137

AFFIDAVIT OF ANNE K. BINGAMAN on behalf of LCI International Telecom Corp.

I, Anne K. Bingaman, being first duly sworn, state:

- 1. Since January 3, 1997, I have been employed by LCI International Telecom Corp. ("LCI") as Senior Corporate Vice President, and President, Local Telecommunications Division. I am the senior officer of the company in charge of developing local telephone markets. I am responsible for overseeing all operations of the Local Telecommunications Division, including product development, sales, regulatory affairs, negotiations with the Regional Bell Operating Companies ("RBOCs"), GTE and Sprint relating to local telecommunications services, local telecommunications backoffice and operations support systems, network engineering related to local telecommunications, and reducing LCI's cost for local telecommunications services. I have personal knowledge of the matters stated in this affidavit.
- 2. I have been licensed to practice law since 1968. At various times in my career I have practiced antitrust law, and negotiated contracts on behalf of private clients.

 I also served as Assistant Attorney General for Antitrust in the United States Department

of Justice from 1993-1996, in which capacity I had responsibility for, *inter alia*, telecommunications policy, telecommunications investigations and telecommunications cases filed during my tenure.

- 3. LCI currently is selling local telecommunications services on a resale basis in 22 markets in 10 states. LCI currently has resale agreements or is purchasing under tariff within Ameritech, NYNEX, BellSouth and PacBell. LCI has one issue remaining in its contract negotiations with Bell Atlantic, and hopes to complete a resale agreement promptly. LCI is close to completing a resale agreement with Sprint, which is nationwide in scope. LCI is currently negotiating a resale agreement with GTE, which it hopes to conclude promptly.
- 4. The discount under which LCI purchases for resale varies from 16 to 22 percent in the markets LCI serves to date. LCI has enjoyed significant success in its sales rollout, but understands fully that resale is merely an initial entry strategy and will not sustain effective competition, even in the medium term. One purpose of resale as an entry strategy is to amass a customer base which can then, with the customer's consent, be converted to a more profitable and lower cost platform.
- 5. LCI's planned second stage of competitive entry is via the combined network elements method set forth in the Telecommunications Act of 1996 (§ 251(c)(3) and the FCC's August 1, 1996 Local Competition Order at ¶¶ 203-365. This approach, depending upon final prices adopted by state commissions in the various states (to the best of LCI's understanding, prices currently are interim, not final), will allow LCI to purchase unbundled combined network elements on a forward-looking incremental cost basis, rather than at avoided cost. In addition, under this Commission's prior orders, LCI

would stand in the shoes of the RBOC for purposes of access charges. Thus, LCI would be entitled to collect both originating and terminating access charges, where applicable, and would not be liable to pay such access charges to the RBOCs.

- 6. In addition, the combined network element platform as ordered by the Commission would allow LCI to achieve additional functionalities in the RBOC switch on a forward-looking incremental cost basis. NYNEX, in negotiations with LCI, and in its SGAT filed February 14, 1997 with the New York Public Service Commission, assigned functionalities in the switch (such as call forwarding, call waiting, three-way calling, etc.), a zero-cost basis. According to NYNEX, the switch was already programmed to provide these functionalities, and no additional charges were necessary.
- 7. An example of the type of additional functionality which LCI would seek to offer is call blocking on a time-of-day basis, by incoming ANI. This is a functionality of current Class 5 switches, which is not generally offered widely by RBOCs today. Another example of such functionality includes the Multilocation Business Group, a Centrex-like feature of Class 5 switches which would allow creation of a virtual private network.
- 8. In an effort to promptly understand the operational support system issues and train LCI's backoffice personnel in the network platform, I initiated discussions with Ameritech and NYNEX, *inter alia*, shortly after assuming my position at LCI.
- 9. LCI next requested a meeting with Ameritech employees to discuss this matter in depth. Due to the complexity of the subject matter and the number of issues raised, I requested that the meeting be scheduled at a time when the Ameritech personnel

attending the meeting could schedule several hours for the meeting. Ameritech readily consented to the request, and the meeting was scheduled for February 28, 1997.

- 10. A number of individuals from Ameritech, listed on Exhibit 1 hereto, came to LCI's office in McLean, Virginia from Chicago on February 28, 1997. The meeting appeared to be a good and productive one. It is memorialized in my letter of March 4, to Mr. Ed Wynn, General Counsel of Ameritech, Ex. 2 hereto. In that meeting, LCI's consultant, Mr. Joe Gillan, explained to Mr. Wynn and other Ameritech employees in attendance, that LCI understood that Ameritech and LCI had significant legal differences concerning Ameritech's duty to provide shared/common transport. LCI proposed to Ameritech in that meeting that these legal differences be set aside, and the parties agree to abide by whatever final outcome was reached by the appropriate body, in order to allow both parties to gain testing experience in the OSS procedures and backoffice systems for ordering the network platform. See generally, Gillan Aff., Ex. A, to LCI's Comments to Ameritech's Michigan Section 271 Application.
- 11. LCI proposed on February 28, 1997 that it first transition several lines in its Illinois (Chicago) and Michigan sales offices to the network platform and then proceed to transition "friendly customers" in the Chicago and Grand Rapids or Detroit areas to the network platform to gain more experience.
- 12. When the meeting ended on February 28, 1997, all of us who had attended the meeting for LCI felt very good about it. We left with a clear understanding, reflected in my letter to Mr. Wynn of March 4, 1997, Ex. 2 hereto, that Ameritech was willing in concept to enter into the test as we had proposed it, but needed to check its operational

ability to perform several items. Ameritech committed to us at the end of the meeting to work through those items and get back to us promptly.

- 13. A delay of several weeks ensued. I became concerned that I had not heard from Mr. Wynn. We corresponded concerning a response to my March 4 letter. On March 19, 1997, Mr. Wynn responded. See Exs. 3, 4 and 5 hereto.
- 14. In his March 19, 1997 letter, Ex. 5 hereto, Mr. Wynn appeared to us to be completely undercutting the fundamental propositions of the test which LCI had described in the February 28 meeting. On March 24, 1997, I answered Mr. Wynn's letter. I noted that Ameritech's current position in effect had reneged on our original test, which would define LCI as both an originating and a terminating carrier, and instead had restricted it to originating carrier status only. See Ex. 6 hereto.
- 15. I also noted in my March 24 letter, Ex. 6 hereto, that although Mr. Wynn had made a firm commitment both in the meeting of February 28 and in his letter of March 19 that Nancy Armis of Ameritech would call Bill Jones of our Dublin, Ohio operation support team for local telephone services, that had not been done. I requested that it proceed immediately, because no progress at all had been made on the tests which Mr. Wynn had proposed as immediately feasible (described in my March 4 letter as "steps 1 and 2"). Ameritech appeared at this point to LCI to be stalling, and I became concerned.
- 16. We therefore set up a follow-up meeting in Chicago on April 10, 1997. LCI was represented by Joe Gillan (Gillan Associates), Linda Oliver (Hogan & Hartson), Brad Mutschelknaus (Kelley, Drye & Warren), and myself, and by telephone Wayne Charity (Director, Engineering Operations for Local Service, LCI), Ron Kelly (V.P.

Network Planning & Operations, LCI), and John Williams (Telecommunications Consulting Group). Ameritech was represented by Mr. Ed Wynn (General Counsel of Ameritech), who led the discussion for Ameritech. Also present were Daniel Kocher (who shortly thereafter filed an affidavit in the Michigan PSC concerning AT&T's test of the UNE platform with Ameritech, of which we were then unaware); Nancy Armis and several other individuals.

- The April 10 meeting was discouraging to all of the LCI representatives who attended. For the first time, Ameritech claimed not to understand the test LCI proposed, and claimed to be confused as to what LCI was requesting. One of the individuals present in Chicago with me that day, Mr. Joe Gillan, has testified for another carrier in proceedings before the Illinois Commerce Commission in which the network platform was explored and developed. Mr. Gillan has submitted affidavits and testimony on numerous occasions to the Illinois Commission over the last several months on the issue of the scope of the required network platform. Mr. Gillan told me directly, in breaks and after the meeting, that it was clear to him that Ameritech was professing not to understand something which he believed had been made abundantly clear in numerous proceedings before the Illinois Commerce Commission.
- 18. In the day following the meeting, I accordingly confirmed to Mr. Wynn what LCI was seeking, because while we believed that Mr. Wynn's and the Ameritech team's approach had been disingenuous, we wanted to be completely clear on what Ameritech's proposal was. See Ex. 7 hereto, my April 11, 1997 letter to Mr. Wynn.
- 19. On April 16, 1997, Mr. Wynn wrote back to me a lengthy and detailed letter. In that letter, Mr. Wynn claimed to have offered all of the functionality that LCI

requested, and also asserted that LCI's request was limited to the loop and local switching network element, implying that LCI was requesting the use of various interoffice network without compensating Ameritech for the relevant cost. Ex. 8 hereto.

- 20. On April 25, 1997, I answered Mr. Wynn's April 16 letter. Ex. 9 hereto. I conveyed to him first our view that Ameritech's offer did not include all of the functionality LCI had requested, because Ameritech had, in LCI's view, unilaterally redefined the local switching network element to exclude certain trunk ports. Second, I told Mr. Wynn that while we understood that Ameritech disputed its obligation to permit LCI to complete the local calls of its subscribers in the manner LCI had requested, we had never implied that LCI was unwilling to compensate Ameritech for the use of any facility or function. I reiterated to Mr. Wynn that "LCI remains committed to a limited trial in Illinois and Michigan to determine whether the system is necessary to support LCI's entry using the requested network element combination are operational." I further told Mr. Wynn that "time is an important factor and there can be a significant lag between regulatory decision and operational compliance, as such, I am extremely disappointed that Ameritech will do nothing to move forward with LCI's request."
- 21. On April 30, 1997, Mr. Wynn responded, and appeared to seek a complete redescription of LCI's proposal. Ex. 10 hereto.
- 22. On May 22, 1997, in a final effort to set forth for Ameritech what LCI believed had been clear in the February 28 meeting and confirmed in my letter to Mr. Wynn, Ex. 2 hereto, I asked all of our team who had worked on the Ameritech matter to carefully review the correspondence and to write one final and very complete letter to

Mr. Wynn explaining in detail LCI's request, and asking again that Ameritech proceed with the test as we had first discussed it on February 28, 1997. See Ex. 11 hereto.

- 23. In my May 22, 1997 letter, I stated that "LCI's immediate goal is to determine whether or not Ameritech is willing to test LCI's definition of the platform at LCI's Chicago and Grand Rapids sales offices. Please advise me in writing by May 29, 1997, whether or not Ameritech is willing to conduct such a test." I further told Mr. Wynn that if Ameritech is willing to proceed with the test as we first discussed it on February 28, 1997, "LCI will proceed promptly to work with Ameritech first to convert our Chicago [and Grand Rapids] sales office to a UNE platform and then to move friendly customers to a UNE platform." I noted that "this would allow both Ameritech and LCI to gain experience and to test Ameritech's OSS and procedures for establishing the network platform required by the Act and the FCC's August 1, 1996 Local Competition Order."
- 24. On the same date, Mr. Neil Cox and I had a luncheon meeting at Gallileo's Restaurant in Washington, D.C., requested by him, to discuss the relationship between LCI and Ameritech. The meeting had been set up several weeks in advance. By May 22, I felt quite frustrated by the responses from Mr. Wynn as to the UNE platform, as well as on a number of other pending issues. I decided that, since I had never met Mr. Cox before, and might not see him again for a number of months, I should both tell him personally and in writing the serious and numerous problems which I believed existed between our two companies. Accordingly, my staff and I prepared a lengthy letter with exhibits to Mr. Cox dated May 22, 1997, which I hand-delivered to him at lunch. See

Ex. 12 hereto (exhibits not attached). I also reviewed the major problems with him in some detail orally at the lunch.

- 25. On the matter of the network platform, I first asked Mr. Cox if UNEs and the network platform were under his area of responsibility. He said that they were. I then detailed for him what LCI viewed as the unhappy course of the now three-month old negotiations between LCI and Ameritech. I told Mr. Cox frankly and with some passion that I felt that Mr. Wynn and the Ameritech team were now professing not to understand what LCI wanted, when in fact LCI believed it was completely clear from numerous regulatory proceedings, as well as from LCI's description in the February 28 meeting, my March 4 letter and subsequent conversations what it was that we proposed to test. I told Mr. Cox that it appeared to me that Ameritech simply was posturing for litigation, and that I was preparing to file a complaint promptly against Ameritech in the appropriate forum, since it appeared that Ameritech was not willing to engage in UNE platform tests with LCI.
- Ameritech did not understand the test LCI requested. Rather, Mr. Cox told me directly that the problem was that "I do not have the engineering staff to do more than two tests at once." I said that I would have been much happier if someone had simply stated that to me sometime in the preceding several months. Mr. Cox then told me that Ameritech currently is engaged in a test of the UNE platform with AT&T. Mr. Cox told me that he would undertake to make efforts to get LCI admitted as an observer to the AT&T test, since his staffing was not sufficient to allow LCI and AT&T to conduct separate tests

simultaneously. I told Mr. Cox that I appreciated that, appreciated his honesty and we moved on to other issues.

- On May 23, 1997, the next day, I wrote Mr. Cox and told him that of the several major issues noted in my May 22 letter, "the most urgent and pressing is [LCI's] desire to gain hands-on and practical experience for our engineering and process people in the OSS and backoffice systems needed to make the unbundled network element [UNE] platform operational." I told Mr. Cox in that letter that LCI would appreciate being admitted to the AT&T test immediately. Ex. 13 hereto.
- 28. I testified on Wednesday, May 28, 1997 at the OSS Open Forums held by the Federal Communications Commission and its Common Carrier Bureau. I set forth in my written testimony (attached without exhibits as Ex. 14 hereto), LCI's efforts to test the UNE platform with Ameritech.
- 29. At the break, I had a conversation with Mr. Tom Lenahan, Deputy General Counsel of Ameritech, who had been on the panel with me and several others. I told Mr. Lenahan of my unhappiness with Mr. Ed Wynn and LCI's strong desire to engage in a test of the UNE platform with Ameritech. I also told Mr. Lenahan that I had raised this issue with Mr. Cox on May 22. I then gave Mr. Lenahan a copy of my letter to Mr. Cox of May 22 with exhibits. Mr. Lenahan committed to look into it.
- 30. That same afternoon, May 25, 1997, at 4:05 p.m., I received three separate letters from Mr. Cox. One of them, Ex. 15 hereto, admitted LCI as an observer (only) to the AT&T test, if AT&T also agreed. In a second letter, Mr. Cox told me that he had removed Mr. O'Sullivan, our Ameritech Account Manager, an action which I had requested at our luncheon on May 22, because of LCI's unhappiness with Mr. O'Sullivan.

Finally, Mr. Cox wrote me a letter in which he said that he thought I had unfairly attacked him at the OSS Forum, and believed that my conduct at the OSS Forum had been "unprofessional."

- 31. I immediately wrote Mr. Cox back, Ex. 16 hereto, telling him the following:
 - "(a) as to the AT&T test we are glad to be included as an observer, but very much want and need to learn to use the OSS processes supporting the platform ourselves. We reiterate our continuing request at the earliest possible time to be included as a test participant, not just as an observer, and to order up our Chicago and Grand Rapids or Detroit offices and friendly customers so that we can learn for ourselves the OSS procedures so important to the network platform."

32. I further told Mr. Cox that

"I am extremely disappointed in Ameritech's conduct as reflected by the actions of Mr. Ed Wynn, and I told Mr. Lenahan so following the Forum, as I did you in person last Thursday. The paper record between Mr. Wynn and me reflects a frustrating three months of meetings and letters in which Ameritech seemed to be clearly posturing for litigation, when it turns out the test we sought was possible all the time. "

"To learn that it had been ongoing with AT&T with no notice to us and to learn it only as a result of your coming to Washington last Thursday, is just not the way a company like Ameritech should operate, particularly on an issues as critical to LCI as the operability of the network platform. Mr. Wynn and Dan Kocher were both in the meeting on April 10, and they could have and should have taken the steps you have now much earlier. Had they done so, I would feel better about what has happened in our relationship with Ameritech in the last three months." Ex. 16 hereto.

33. Finally, I told Mr. Cox that I had simply stated facts, and that to the very best of my recollection and understanding I had in no way engaged in any personal attack on him, and that I had no personal animosity whatsoever toward him, although I had serious problems with Ameritech, and had expressed them at the Forum. I further told

him there would be a videotape and transcript of the entirety of the Forum which would provide a record of my remarks.

- 34. I promptly communicated with Mr. William Davis, AT&T's engineer in charge of the network platform test, and he readily agreed to accept LCI as an observer. On Wednesday of last week, June 4, 1997, two of LCI's attorneys had an extended discussion with Mr. Davis about the scope of AT&T's test. We also have now also had the chance to review carefully Mr. Daniel Kocher's Affidavit in the Michigan PSC proceeding, of which I was personally unaware prior to late May, 1997. Upon extended discussion with AT&T, and understanding for the first time the exact test set up with AT&T, LCI has determined that the first phase of the test is so limited as to be almost meaningless, and is not the test LCI has been requesting of the full network platform since February 28, 1997.
- 35. On June 9, 1997, I wrote Mr. Cox setting out what we had been able to learn since May 28 about the AT&T test and LCI's view that it was seriously deficient in a number of respects. That letter to Mr. Cox is attached hereto as Ex. 17. LCI's view of the deficiencies is further set forth in the Affidavit of its consultant, Mr. Joe Gillan, attached to LCI's Comments on Ameritech's 271 Application for Michigan as Ex. A.
- 36. On Monday evening, June 9, 1997, LCI received a fax from Mr. Cox responding to my letter to him of May 22. See Ex. O to LCI's Comments on Ameritech's 271 Application for Michigan. With regard to the UNE platform, he states simply that the issue has been resolved pursuant to his May 28 letter admitting LCI to the AT&T test, with AT&T's consent.

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and belief.	A. V.R.
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	Anne K. Bingaman
On this day of June, 1997, before me personally came Anne K. Bingaman, to me known, being duly sworn, did depose and say that she is the individual described in this Affidavit.	
On this to day of June, 1997,	
	Notary Public I was commissione
My commission expires:	Notary as Donnam. Aichoff

Phone / Fry Position Nane 202-9555765 (9792 FAX Brad Mutschelkneus Kelley Dryc 703/714/1177 (848-4404) Coz/COZ 257-8611 (602-254-802 also orsey LC1 ATTOMY - BAILEY COHET Lawrim Cove Co Hew Rocky UNPUH (415) 896-0666 Arry Morganilen + Juszuren Linda Oliver Hogan + Harkon (200)637-6527 /(200) 637-5910 TE-CCOMMUNICATIONS CONSECTING GREAT, (NO. LCI - FACILITIES COST VCX 202-626-6293 JUHN G- WILLIAMS ED PERRY 783-714-1895/783-610-381 Stacy Hulobiand 703/610-4894 (-3838) LCI LCI Part Geravito 703/610 4866 RON KRAEMER DUR FAQUITIES GOST 644-798-6862 703-610-3895 Phone: (312) 335-LL48 Ed Wynn V.P & beneral Counsal -A115 Fux: (312) 595-1504 Phone (312) 335-6666 Ron Lambert Ameritech - Coursel Fan (319) 256-1204 David Moser Ph (312) 335-6757 Ph. 703-848-4476 Allo - Director Tech Planing Doug Kinkoph Dir. Regulator/Legis Attains FAX 703-848 4404 JUSGALORD Denier Alterney 1.
105, Cozel Sinu Div, LC/ Fr (203) 610-457. Move Bingina JOE Gillmi Gillar Associates Ph (406)626-5576 lon Kelley LCI Netric Planning 614-799-7859 America - Presile and LCI reget ream July HRMES 312-335-2915 (22)335-292

EX.1

Sarah Buerger

Anne K. Bingaman Senior Vice President President, Local Telecommunications Division

March 4, 1997

VIA FAX

Mr. H. Edward Wynn General Counsel Ameritech Industry Information Services 350 New Orleans, 3rd Floor Chicago, Illinois 60654

Re:

Obtaining Unbundled Network Elements in Combination (the "Network Platform")

Dear Ed:

Thanks for a very good and productive meeting. We sincerely appreciate you and all of your people coming to McLean last Friday. For purposes of clarity, I thought a brief summary of where we stood at the end of the meeting might be helpful for all of us.

Briefly, we advised Ameritech of LCI's intention and desire to enter the local telephone market by obtaining unbundled elements from Ameritech. LCI intends to use a configuration that combines the loop, switch and non-discriminatory access to Ameritech's interoffice network for the transport and termination of local calls at cost-based rates as required by the Act. We expect that interexchange carriers will continue to reach LCI's subscribers using the transport facilities that they use today. As we discussed, this approach establishes LCI as the local exchange and exchange access provider to its subscribers, while simultaneously assuring that the existing Ameritech interoffice network is used to most efficiently complete local traffic.

Ex. 2

As we stated in the meeting, neither of the alternatives described by Ameritech for transport and termination of local calls would satisfy LCI's needs. Those alternatives contemplated that purchasers of unbundled local switching would be offered only two options for transport and termination of local calls: first, to purchase dedicated transport from Ameritech to all end offices; or, second, to complete calls over the Ameritech interoffice network but to pay retail rates, less the wholesale discount. Neither of these alternatives is satisfactory because neither provides LCI with nondiscriminatory access to Ameritech's interoffice transport network at cost-based rates.

We discussed at the meeting LCI's interest in promptly conducting a test of Ameritech's systems and procedures to enable LCI to offer local service in Illinois through LCI's desired configuration of combined unbundled network elements. These systems and procedures included:

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- 2) The recording, measurement and data exchange required to perform end user billing under that platform configuration;
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